

Colorado Revised Statutes Title 39 - TAXATION

ARTICLE 1.5 - PREPAYMENT OF AD VALOREM TAXES

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39-1.5-101. Legislative declaration.

The general assembly hereby finds and declares that energy development operations and mineral extraction or conversion operations should be authorized to prepay ad valorem taxes to local governments for expenditure on capital improvements in order to meet additional public service demands created by such operations.

Source: L. 81: Entire article added, p. 1839, § 1, effective May 28.

39-1.5-102. Definitions. As used in this article, unless the context otherwise requires:

(1) "Capital improvement" means any road or highway, school facility or equipment, domestic, commercial, or industrial water facility, sewage facility, police and fire protection facility or equipment, hospital facility or equipment, or any other local government administrative or judicial facility which a local government is authorized by law to acquire or construct.

(2) "Local government" means a county, municipality as defined in section 31-1-101, C.R.S., school district, or special district which has the authority to impose general property taxes.

(3) "Operation" means the development, construction, and operation of any facility for the production of energy or the extraction, processing, conversion, or refining of minerals, including, but not limited to, a mine, power plant, mill, retort, or related facility, or any combination thereof under the same ownership, if the valuation for assessment of the taxable property of the operation within the boundaries of a local government is estimated to exceed fifty million dollars when the operation begins functioning.

Source: L. 81: Entire article, p. 1839, § 1, effective May 28.

39-1.5-103. Authorization of prepayment of taxes for capital improvements to local governments - no effect on obligation to pay taxes to other local governments.

(1) An owner of an operation may prepay moneys to one or more local governments, within the boundaries of which is located taxable property of the operation, for credit against general property taxes which will be levied in the future pursuant to articles 1 to 13 of this title. Said moneys shall be expended on capital improvements which are directly or indirectly related to the additional public service demands created by the operation.

(2) If an operation prepays moneys for credit against general property taxes pursuant to this article to one or more local governments, said prepayment shall not vary the operation's obligations, under law, to pay general property taxes to any local government which does not receive such prepayments.

Source: L. 81: Entire article added, p. 1840, § 1, effective May 28.

39-1.5-104. Prepayment - amounts - credits - limitations.

(1) An owner of an operation who elects to make prepayments under this article and the governing body of a local government shall jointly determine and agree upon:

(a) The total amount of prepayments to be made; except that the total amount of prepayments shall not exceed twenty-five percent of the estimate of the operation's projected tax liability to the local government over a twenty-year period, commencing with the taxable year in which the valuation for assessment of the operation is estimated to exceed fifty million dollars;

(b) The amounts and intervals of prepayments and credits for such prepayments; except that an annual prepayment credit shall not be allowed prior to the taxable year in which the operation begins functioning or the valuation for assessment of the operation exceeds fifty million dollars, whichever is earlier, nor shall it exceed twenty-five percent of the taxes due from the operation to that local government for the then current property tax year.

(2) The owner of an operation, the governing body of the local government, the assessor, the treasurer, and the division of property taxation in the department of local affairs shall estimate when the operation's projected valuation for assessment will exceed fifty million dollars and the amount thereof for the ensuing twenty years, as well as the operation's projected liability for general property taxes for the applicable period.

(3) The governing body of the local government shall adopt a resolution or ordinance which contains the total amount of taxes to be prepaid, the anticipated amounts and anticipated intervals of prepayments and credits for such prepayments, and the capital improvement or improvements upon which such prepaid taxes will be expended.

(4) The credit allowed in any taxable year for prepayments made under this article to or for each local government or any fund or account within the fund thereof shall be treated as an abatement of the property taxes due to such local government for that year from said operation and shall not affect the determination of the valuation for assessment thereof. The credit shall be shown on the tax statement for that year as it applies to each local government, fund, or fund account to which applied.

Source: L. 81: Entire article added, p. 1840, § 1, effective May 28.

39-1.5-105. Prepaid taxes subject to laws governing financial affairs.

Moneys received pursuant to this article are subject to such laws relating to financial affairs, including budget, accounting, and auditing laws, as are or may be made applicable to the local government which receives such moneys.

Source: L. 81: Entire article added, p. 1841, § 1, effective May 28.

39-1.5-106. Relationship between prepaid taxes and the limitation on local government levies.

In determining the amount of revenue which a local government is allowed to levy under section 29-1-301, C.R.S., prepayments made under this article shall not be deemed property tax revenue in the year of prepayment; however, tax liability against which a credit is to be allowed shall be deemed property tax revenue attributable to increased valuation for new construction or bond revenue in accordance with section 29-1-302, C.R.S., in the year in which a credit is to be allowed.

Source: L. 81: Entire article added, p. 1841, § 1, effective May 28.

39-1.5-107. Prepayment arrangement not a general obligation indebtedness.

Any arrangement for prepayment of ad valorem taxes under this article shall not be construed to be a general obligation indebtedness.

Source: L. 81: Entire article added, p. 1841, § 1, effective May 28.
